

**Avista Corp.**

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October 14, 2022

Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, Washington 98503

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, September 2022
 Docket No. UE-140188, Monthly REC Report, September 2022

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation's Power Cost Deferral Report for the month of September 2022. The report includes the monthly Energy Recovery Mechanism (ERM) accounting journal together with supporting work papers (Attachment A). The native format of the Excel worksheets for the deferral calculation and the journal in "pdf" format are attached to the electronic filing. Please note "pdf" is the native form for the deferral journal. In summary, the following cumulative balances ending September 30, 2022 (including interest) relate to the ERM:

	Total	Absorbed (Avista)	Deferred (Customer)
First \$4M at 100%	\$ 4,000,000	\$ 4,000,000	\$ -
\$4M to \$10M at 25% (rebate)		\$ -	\$ -
\$4M to \$10M at 50% (surcharge)	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000
Over \$10M at 10%	\$ 3,108,039	\$ 310,804	\$ 2,797,235
	\$ 13,108,039	\$ 7,310,804	\$ 5,797,235

As summarized on page 11 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for September were higher than authorized net power costs for Washington by \$807,006. An accounting entry in the surcharge direction in the amount of \$726,305 was recorded, contributing to a year-to-date deferral balance of \$5,797,235 in the surcharge direction.

The above normal high temperature observed in August continued into the month of September. For the month of September, the *average* high temperature for the month was 78 degrees as compared to 73 degrees on a normalized basis. These continued high temperatures resulted in an increase in load of 57 aMW for the month. This increase in load was served primarily through generation at Colstrip, Coyote Springs II and Lancaster.

In addition, tracking and recording of the Solar Select program is consolidated into account 186295 (see page 9). The Company consolidated the impacts of the program into one general ledger account to provide additional transparency for annual ERM reporting. For ease of reference and budget purposes the Company is crediting the monthly net benefit/costs for this program monthly (rather than annually). The Solar Select program was in the rebate direction for the month of August in the amount of \$201,682.

The report also includes the monthly renewable energy credits (RECs) accounting journal together with backup work papers (Attachment B). Per Order 05, Docket UE-140188, the Company defers 100% of the net monthly RECs not associated with compliance for the Washington Energy Independence Act. For a summary of beginning and ending balances, as well as monthly activity including net revenues for the month of \$59,861.59 plus interest, please see page 30.

Interest for the ERM is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated December 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's actual cost of debt is used as the interest rate. The interest rate is updated semi-annually, and interest is compounded semi-annually.

If you have any questions, please contact Annette Brandon at (509) 495-4324.

Sincerely,

/s/Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

